

# PIONEER

## NATURAL RESOURCES ALASKA

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February 7, 2014



Mr. William Barron, Director  
Alaska Department of Natural Resources, Division of Oil and Gas  
550 West 7<sup>th</sup> Ave., Suite 1100  
Anchorage, AK 99501

Oooguruk Unit Expansion Application ADL 392113, 392157 & 392158, North Slope, Alaska

Dear Mr. Barron:

In accordance with 11 AAC 83.306, Pioneer Natural Resources Alaska, Inc. (Pioneer) proposes the expansion of the Oooguruk Unit (OU), as shown on the attached Exhibit B, and hereby petitions the Department of Natural Resources, Division of Oil and Gas (DOG) to approve the OU expansion. One hundred percent (100%) of the subsurface estate within the proposed OU expansion area is held by the State of Alaska and is subject to oil and gas leases, ADL 392113, ADL 392157 and ADL 392158, which Pioneer acquired in 2012. Pioneer is the 100% working interest owner of the leases.

Pioneer is the designated Operator under both the OU Agreement and the OU Operating Agreement.

### **Expansion of the OU – Criteria and Justification**

11 AAC 83.303 prescribes the criteria that the Department shall utilize in its evaluation of a proposed Unit. A unit expansion shall be approved if it; 1) promotes the conservation of natural resources, 2) promotes the prevention of both environmental and economic waste, and 3) provides for the protection of all parties, including the State. We respectfully submit that the proposed OU expansion satisfies these criteria. Unitized developments better enable optimum facility and well placement which minimize duplicate facilities and the environmental impacts and maximizes the efficient production of resources. These benefits are difficult to achieve through lease-by-lease developments.

**Proposed Unit Expansion Area**

The lands which are included within the proposed Oooguruk Unit Expansion Area are described upon Exhibit A and depicted upon Exhibit B attached hereto. All or a portion of the following State of Alaska oil and gas leases are included within the proposed Unit expansion area:

Tract 27 - ADL 392113

Tract 28 - ADL 392157

Tract 29 – ADL 392158

**Technical Information in Support of Application**

The geologic description of the proposed unit expansion area was included in previous expansions of the OU as were pertinent geologic, geophysical, engineering and well data and interpretations of said data, providing the technical basis for the expansion of the OU. Upon review of the material your staff may determine that additional information and direct interaction with Pioneer's technical staff may be helpful and necessary to allow an efficient review of the project and the proposed Unit.

**Plan of Exploration**

The current exploration and development activities for the OU remain unchanged due to the proposed expansion.

**Oooguruk Unit Operating Agreement**

The Unit expansion area will be subject to the OU Operating Agreement currently on file with DOG.

**Unit Application Copies and Fee**

Five (5) copies of this application are submitted as required by 11 AAC 83.321. Attached is Pioneer's receipt from the State of Alaska for \$500.00, payment of the application fee required under 11 AAC 05.010.

If you or your staff have any questions or require additional information, please don't hesitate to contact me.

Sincerely,



Dale Hoffman

cc: R. Province, Eni